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Original

STATEMENT BY SEN, STROM THURMOND (D-SC) ON HR 1, June 15, 1955

I am happy that HR 1, the Trade Agreements Extension Act, ^{as amended,} has finally been approved by the ^{conference committee,} ~~Senate~~ because it affords a measure of protection badly needed by the cotton textile and other industries. *I hope the Senate will approve this report.*

Passage of this bill takes from the President authority to cut tariffs already reduced by the GATT Conference at Geneva, in instances where reductions were more than 15 per cent. For the next three years, under provisions of HR 1, the President ^{would have} ~~has~~ the authority to approve up to a maximum of 15 per cent tariff reductions on items which were not reduced at Geneva.

Under the old law/and under HR 1/as passed by the House, there was virtually no protection against tariff reductions.

I think it should also be pointed out at this time/that HR 1/not only provides more adequate protection for industry, but it also gives greater assurance/that the farmer will not suffer from the loss of foreign markets/which now consume much of our farm surpluses.

Failure to ~~have enacted~~ ^{enact} HR 1/could ~~have resulted~~ ^{result} in chaotic conditions which existed prior to 1934/when each country took the view/that its tariff barriers had to be high enough to protect itself against imports. Without HR 1/the President would have no authority to enter into ANY trade agreements.

If he were no longer able to negotiate trade agreements,

we could certainly expect that foreign nations would fearfully erect new tariff barriers against the products of our farmers/ as well as against manufactured products.

I was greatly disturbed and disappointed/ to learn of the agreements entered into in the GATT conference. The State Department officially announced that "among the concessions granted by the United States were moderate reductions of rates on some carefully selected cotton textile items."

As a matter of fact, I have learned reliably/ that these reductions/ on such basic cotton goods as print cloths, broad-cloths, poplins, oxfords, twills, etc., run as high as 27 to 48 per cent/ of the present tariff rate. A spokesman for the textile industry/ has stated ^{that} these cuts represent "more than the current profit margin of the industry/ from the production of standard goods."

While I am astounded that State Department negotiators would agree to such severe reductions/ in products manufactured by this basic industry, I do want to point out/ that the possibility of just such action/ caused me to urge amendments to HR 1/ for the purpose of providing more adequate protection against future cuts. The amendments I advocated were adopted/ and they do prevent any further tariff cuts for three years/ on the items which suffered so greatly in the Geneva negotiation.

On March 17 of this year/ I appeared before the Senate Finance Committee/ and warned of the necessity of amending HR 1 to protect the textile industry and its million employees/ who annually receive 3 billion dollars in wages and salaries.

At that time/ I pointed out that the industry and its

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employees were "exposed more than any other major industry to possible sacrifice on the altar of so-called reciprocal trade."

I told the Committee: "...They should not be subjected to the risks immediately threatened by HR 1 and the current negotiations at Geneva."

Also, I told the Committee/that, "HR 1 in its present form/^{do}contains provisions which would/^{do}injustice not only to the textile industry/^{do}but also to many other types of American enterprise. For that reason/I would be unable to cast my vote in favor of it unless it is amended."

Sixteen Senators joined me in asking the Committee to amend the bill/^{do}and when the report on HR 1 was made, it contained the amendments/^{do}and the effectiveness of these changes in the original bill has been preserved ^{in the conference report,} ~~to that extent~~. I hope that future negotiations affecting any of our industries/^{do}will be conducted on a more realistic basis than the recent GATT conference. In any case, ^{this legislation provides} ~~we have enacted to provide~~ protection for three years/^{do}against further such damaging blows/^{do}to industries such as textile manufacturing.

THE END